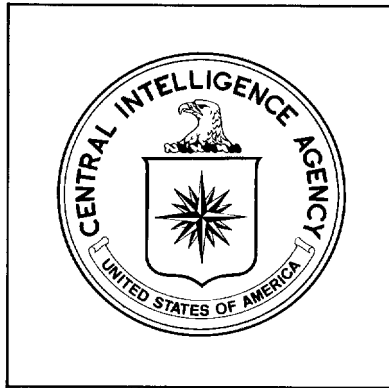


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# STAFF NOTES:

## Middle East Africa South Asia

State Department review completed

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140

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MIDDLE EAST -- AFRICA -- SOUTH ASIA



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*C O N T E N T S*

Pakistan: Assessment of Domestic and Foreign Affairs . . . . .	1
Pakistan: Fears of Indian Aggression . . . . .	4

July 18, 1975

SECRET

SECRET

Pakistan

*Assessment of Domestic and Foreign Affairs*

Prime Minister Bhutto's popularity has declined somewhat because of Pakistan's economic problems and Bhutto's proclivity for authoritarian measures, according to a quarterly assessment by the US Embassy in Islamabad. Bhutto's control over the government, however, is not likely to be seriously challenged in the foreseeable future.

Government harassment and censorship have caused opposition parties to boycott parliament in recent months. Hundreds of members of the National Awami Party, Pakistan's largest opposition group, were jailed after the party was banned in February. If Bhutto fails to obtain the Supreme Court's approval of the ban, he reportedly plans to press sabotage charges against a number of the party's leaders.

The embassy believes Bhutto's popularity has also been hurt by his slowness in coping with the infighting which began over a year ago between two factions of his Pakistan People's Party in Punjab, Pakistan's most populous province. He finally took action this month by firing the province's chief minister, who led one faction; he reportedly is planning to remove the leader of the other faction soon from his post as provincial governor. The bickering has embarrassed the party, hampered provincial administration, and reopened the issue of Punjabi nationalism, a perennial concern of the other provinces.

Despite these difficulties, Bhutto and his party remain dominant throughout the country. In Pakistan's politically sensitive western frontier provinces the party is less popular than elsewhere, but it has retained control of the frontier provincial governments through political maneuvering and liberal

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July 18, 1975

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use of the central government's administrative machinery, financial resources, and security forces. In the semi-autonomous region of Azad ("Free") Kashmir, the party won control of the local government [redacted] last May.

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In the international sphere, Pakistani officials appear apprehensive that Indian Prime Minister Gandhi may resort to aggression against Pakistan in the months ahead in order to divert attention from her recent controversial domestic actions. Negotiations with India under the 1972 Simla Agreement have continued, but there has been no major new progress toward resolving remaining differences.

Tensions between Pakistan and Afghanistan have eased somewhat in recent months, but prospects remain poor for resolving the long-standing territorial dispute between the two countries. Relations with Bangladesh remain deadlocked over how to divide pre-1971 Pakistan's assests and liabilities and what to do with the pro-Islamabad "Bihari" minority community in Bangladesh.

Relations with China, Iran, and the Arab states remain warm, although Islamabad is concerned that it may not be able to get the Iranians and the Arabs to provide sufficient funding for the arms purchases Pakistan hopes to make. Relations with the US also are good; Pakistani fears that the US withdrawal from Indochina would portend a weakening of American interest in Pakistan were at least partly assuaged by Secretary Kissinger's reiteration of the US commitment to Pakistan at a CENTO conference in May.

The Soviets reportedly have made some new overtures to the Bhutto government, possibly including expressions of interest in resuming arms shipments to Pakistan. The Soviet moves may be partly a response to the US policy change last

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July 18, 1975

2

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February permitting a resumption of US arms sales to Pakistan. Islamabad's response to the Soviet gestures is not known, but the Pakistanis' long-standing wariness of Soviet intentions has probably been reinforced by Moscow's strong support for Gandhi's recent domestic moves.

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July 18, 1975

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Pakistan

*Fears of Indian Aggression*

Some high-level Pakistani officials are worried that New Delhi will launch an "adventure" against Pakistan within the next six months in an effort to ease domestic pressure on Prime Minister Gandhi's government.

Although Gandhi may eventually consider a move against Pakistan, particularly if she begins to come under increasing pressure at home, we have seen no evidence that she is planning such a step.



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So far, Gandhi appears to be in full control of the situation in India following her recent crackdown against her opponents. She knows, moreover, that blatant Indian aggression against Pakistan would stimulate strong opposition abroad and would damage India's prospects for obtaining badly needed economic aid.



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July 18, 1975

4

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